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ABSTRACT

The combined impact of all federally assisted manpower programs in the Atlanta area was evaluated, with emphasis on outreach, eligibility, identification of needs and abilities, and screening for course assignment. In fiscal year 1970, training was provided for 10,300 persons and job placement for 5,600, although most of the estimated 70,000 poor in the Atlanta area received no direct manpower services. Outreach and screening activities generally were adequate, except for two programs which needed improved procedures for determining eligibility. Assessment of needs and abilities varied greatly between programs. Monitoring the coordination between Model Cities and the Concentrated Employment Program was recommended, along with consolidation of screening for all federal manpower programs within one metropolitan area. (BH)

ED 065682

*REPORT TO THE CONGRESS*

# Opportunities For Improving Federally Assisted Manpower Programs Identified As A Result Of Review In The Atlanta, Georgia, Area

B-146879

Department of Labor
Department of Health, Education, and Welfare
Department of Housing and Urban Development

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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*BY THE COMPTROLLER GENERAL OF THE UNITED STATES*

JAN. 7,1972

VT 016 055

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-146879

To the President of the Senate and the
Speaker of the House of Representatives

This is a report on opportunities for improving federally assisted manpower programs identified as a result of our review in the Atlanta, Georgia, area.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget; the Secretary of Labor; the Secretary of Health, Education, and Welfare; the Secretary of Housing and Urban Development; and the Director, Office of Economic Opportunity.

Comptroller General
of the United States

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ABBREVIATION

GAO General Accounting Office

*COMPTROLLER GENERAL'S REPORT TO THE CONGRESS*

# OPPORTUNITIES FOR IMPROVING FEDERALLY ASSISTED MANPOWER PROGRAMS IDENTIFIED AS A RESULT OF REVIEW IN THE ATLANTA, GEORGIA, AREA

Departments of Labor; Health, Education, and Welfare; and Housing and Urban Development
B-146879

## D I G E S T

### *WHY THE REVIEW WAS MADE*

The General Accounting Office (GAO) made the review to evaluate the combined impact of all federally assisted manpower programs in one metropolitan area. The review concentrated on the programs' (1) reaching out and bringing in persons needing manpower services (outreach) and (2) ascertaining persons' eligibility for services, assessing their vocational needs and abilities, and assigning them to appropriate training and education courses (screening). GAO also reviewed the varying provisions for allowances payable to participants.

#### *Background*

To help unemployed and underemployed persons, primarily the poor and disadvantaged, prepare for and obtain suitable jobs, the Federal Government supports various manpower programs. In the Atlanta, Georgia, metropolitan area, the Federal Government supported nine programs and provided about $8 million for their operation during fiscal year 1970. The programs offer a wide range of services, including outreach and registration, screening and assessment, orientation and counseling, work experience, enrollment in vocational training and basic education, enrollment in on-the-job training programs, and placement with employers.

In fiscal year 1970 direct manpower services to the disadvantaged and other poor included training to some extent for about 10,300 persons and job placement for 5,600 persons. Most of the estimated 70,000 poor in the Atlanta metropolitan area received no direct manpower services.

Some persons require only minimal services, such as registration and placement, whereas others need a variety or the entire spectrum of services available, depending on the status of their job readiness.

### *FINDINGS AND CONCLUSIONS*

#### *Outreach activities*

Outreach activities, although limited, were carried out in a generally adequate manner. The activities were well coordinated and were

geographically dispersed to cover the major unemployment areas in Atlanta. Seven of the nine programs attained their enrollment goals; two--Job Corps and Model Cities--did not. (See p. 9.)

At the end of its first contract period June 30, 1970, the Job Corps residential center for women was operating at about 73 percent of capacity, the highest percentage attained during the period, although eligible applicants were available to fill vacant training spaces. The center was delaying enrollments to satisfy the ratio of two black enrollees for every white enrollee as directed by the Department of Labor. The center was equipped and staffed to serve a capacity enrollment of 350 and, by not using its full capacity, was incurring higher than anticipated costs for each enrollee. (See p. 16.)

By the end of August 1971, recruitment efforts had improved and the center was operating at about 97 percent of capacity with an enrollment totaling 339 girls, of which 284 were black and 55 were white. Department of Labor officials informed GAO that, although recruitment efforts were still being directed toward maintaining a 70:30 ratio, the ratio of 84:16 which existed at the end of August 1971 had resulted because white enrollees had dropped out of the program at a much faster rate than black enrollees. (See p. 20.)

The Model Cities Program fell short of its initial year's enrollment goals in providing training opportunities for inner-city residents because of difficulties in getting proposed training projects under way. Although 215 training opportunities were provided, only 89 trainees were enrolled during the program's initial year.

The Concentrated Employment Program serves the same inner-city target area and has an ongoing training program. Therefore the Model Cities Program could utilize, on a reimbursable basis, the Concentrated Employment Program as an agent for providing training. GAO questioned continuation of the Model Cities Program's training component as a separate effort. (See p. 22.)

In the Model Cities Program's second year of operation, for which 225 training slots were authorized, contracts for increased numbers of training opportunities were awarded. By mid-August 1971, 186 participants had been enrolled under the second-year program authorization; 11 of these had successfully completed training, 109 were still enrolled, and 66 had dropped out of training. (See p. 25.)

Although there have been improvements, GAO believes that specific emphasis should be placed on the monitoring of the Model Cities training component until such time as it is operating closer to its capacity. (See p. 26.)

*Screening activities*

Except for two programs which needed improved procedures for determining applicants' eligibility, screening activities were carried out

satisfactorily. GAO's review showed that improvements could be made in the manner in which services were provided by the several manpower programs. GAO believes that such improvements would permit more effective assessment of enrollees' individual training needs, more flexibility in satisfying these needs, and more equitable treatment of program participants.

There were significant differences in the methods used and lengths of time spent in assessing enrollees' needs. To illustrate, different aptitude or achievement tests were applied, some but not all programs used work-sampling techniques, and the periods of assessment varied from 1 to 3 days to 4 weeks or more among programs. (See p. 31.)

*Allowances paid participants*

Training allowances, which are determined in accordance with enabling program legislation, varied significantly among the several programs. For example, for trainees with no dependents, monthly payments varied as much as $100 and, for trainees with three dependents who were not welfare recipients, the differences could have been as much as $145. (See p. 39.)

GAO believes that, in the interest of equitable treatment of all trainees and as a matter of consistent Government-wide policy, training allowances for all federally funded training programs should be standardized to the maximum extent practicable.

*RECOMMENDATIONS OR SUGGESTIONS*

The Secretaries of Labor and of Housing and Urban Development should monitor the coordination between the Model Cities and the Concentrated Employment Programs until such time as the Model Cities training component is operating closer to its capacity. (See p. 26.)

The Secretaries of Labor; of Health, Education, and Welfare; and of Housing and Urban Development, in cooperation with State and local agencies, should consolidate--to the extent feasible--screening for all Federally assisted manpower programs in metropolitan areas, such as Atlanta, so that the entire range of vocational assessment services can be made available to meet the individual needs and desires of the program participants. (See p. 36.)

*AGENCY ACTIONS AND UNRESOLVED ISSUES*

The Department of Labor agreed that the training component of the Model Cities Program should be consolidated under the Concentrated Employment Program.

The Department of Housing and Urban Development believes that the local Model Cities agency should retain responsibility for training services

under its manpower program. Department of Housing and Urban Development officials informed GAO, however, that they had met and would continue to meet with Department of Labor officials, along with local agency officials, for the purpose of increasing coordination and cooperation in establishing an adequately functioning training component for the Model Cities Program in Atlanta. (See p. 24.)

The Departments of Health, Education, and Welfare and of Housing and Urban Development agreed with the recommendation to consolidate screening activities in Atlanta. (See p. 36.)

The Department of Labor did not agree that screening activities should be consolidated and favored continuation of the approach to screening which had been followed. GAO believes that screening activities should be provided to an enrollee in accordance with his needs and without regard to the range of services historically provided by the specific program to which an enrollee might be assigned. (See p. 37.)

*MATTERS FOR CONSIDERATION BY THE CONGRESS*

In view of the differences in training allowances payable under federally assisted manpower programs, the Congress may wish to consider legislation which would standardize such allowances. (See p. 42.)

# CHAPTER 1

## INTRODUCTION

Pursuant to legislation enacted by the Congress, the Federal Government has been supporting various programs to help unemployed and underemployed persons, primarily the poor and disadvantaged, prepare for and obtain suitable jobs. The Federal share of financing the nine programs in the Atlanta metropolitan area was about $8 million for fiscal year 1970.

These programs are administered by the Departments of Labor; of Health, Education, and Welfare; and of Housing and Urban Development at the Federal level and by various State and local agencies in the Atlanta area pursuant to agreements with the cognizant Federal agencies. The programs, together with legislative authorization, administering agencies, services provided, and groups served, are listed in appendix IV.

The purpose of our review was to evaluate the combined impact of all federally assisted manpower programs in one metropolitan area with respect to (1) reaching out and bringing into the programs persons needing manpower services and (2) ascertaining persons' eligibility for services, assessing their vocational needs and abilities, and assigning them to appropriate training and education courses.

Reviewing selected components of manpower training programs is one of several approaches used by the General Accounting Office. We recognize the importance of other aspects of manpower programs and have reviewed or are planning to review other aspects, such as job placement and job development, at other locations.

## NATURE OF MANPOWER PROGRAMS

Manpower programs in Atlanta, as is generally the case throughout the Nation, offer a wide range of services including

--outreach and registration,

--screening and assessment,

--orientation and counseling,

--work experience,

--enrollment in vocational training and basic education,

--enrollment in on-the-job training programs, and

--placement with employers.

Some persons require minimal services, such as registration and placement, whereas others need a variety or the entire spectrum of services available, depending on their job-readiness status. Although all programs provide services to the disadvantaged, some programs limit their services to special groups based on age, sex, or place of residence.

--The Job Opportunities in the Business Sector program and the on-the-job training program are the only programs which offer the possibility of immediate, regular employment with on-the-job training and certain supportive services supplied by the employer.

--The Concentrated Employment, Work Incentive, and Model Cities Programs offer a combination of services ranging from registration through placement.

--The Job Corps residential center for women offers a residential program of training, education, and related services to girls aged 16 through 21.

--The Manpower Development and Training Act program of institutional training provides vocational training in a classroom setting.

--The Neighborhood Youth Corps Program (out-of-school component) provides work experience and vocational training.

--The Vocational Rehabilitation Program provides training to its enrollees, principally the handicapped, and to qualified referrals from other manpower programs. A wide range of supportive services are also provided.

The programs which provide vocational training pay allowances to trainees and generally furnish supportive services, such as medical, dental, and eye examinations; child care arrangements; and social and other aid, through cooperating agencies. Under the two on-the-job-training programs, employers are reimbursed for the costs of extraordinary training and supportive services and employers pay regular wages to the trainees.

The Georgia Training and Employment Service--the State agency which administers the Federal-State employment security program--is significantly involved in the operations of the manpower programs in Atlanta, particularly outreach, screening, and placement services. The service sponsors two manpower programs and is subsponsor, or the sponsor's agent, in most of the other programs. The prime sponsoring agencies are listed in appendix IV.

## EMPLOYMENT CHARACTERISTICS OF THE ATLANTA AREA

The Atlanta metropolitan area includes five counties with a combined population, according to the 1970 census, of about 1.4 million. (See maps on pp. 13 and 14 .) The Georgia Department of Labor reported that, during fiscal year 1970, this area's work force of wage and salary workers, exclusive of domestic workers in private households, averaged 607,000 a month.

Unemployment in the area during the fiscal year averaged 2.8 percent of the work force. Although this rate compared favorably with the State of Georgia (3.2 percent) and the Nation as a whole (4 percent), it was not indicative of the situation in some areas of the city where residents had serious employment problems and many residents, though working, had incomes at or below poverty levels established for urban families.

Unemployment and poverty were particularly severe in an area west and south of the central business district of the city extending roughly 2-1/2 miles in an arc shape. This area was designated by the Department of Labor as a Concentrated Employment Program area. According to a Bureau of Labor Statistics Urban Employment Survey report covering the

12 months ended June 1969, the population in this area totaled about 60,000 persons 16 years of age and older, of whom 46,300, about 77 percent, were black as compared with 44 percent for the entire city.

The survey report showed that the area's unemployment averaged 8.6 percent and that 25.7 percent of all families living there had incomes at or below the poverty level compared with 8.7 percent of all families in the city.

A part of this depressed area was also designated as the target area of the Model Cities Program--a 5-year program administered by the Department of Housing and Urban Development to improve physical, social, and economic conditions in large blighted neighborhoods. This program includes a component which provides a number of manpower services, such as assessment, training, and placement.

## CHAPTER 2

## RESULTS OF OUTREACH OPERATIONS

The number of unemployed and underemployed poor and disadvantaged persons in the Atlanta area who needed manpower services greatly exceeded the number who could be served by existing manpower programs. Under these circumstances intensive outreach activities were not necessary to fill available training slots in most programs.

Outreach activities, although limited, were carried out in a generally adequate manner because they were well coordinated and were geographically dispersed to cover the major unemployment areas in Atlanta.

Seven of the nine programs attained their enrollment goals; two programs--Job Corps and Model Cities--did not reach their enrollment goals for reasons discussed later in this chapter.

### MANPOWER SERVICES NEEDED AND SERVICES AVAILABLE

The local committee of the Cooperative Area Manpower Planning System (a system through which Federal, State, and local agencies administering and operating manpower programs develop coordinated plans) estimated that, during fiscal year 1970, about 107,000 persons in the Atlanta area would need assistance through manpower programs. This estimate was based on 1968 population studies and therefore may have been understated in view of the recent economic downturn which was accompanied by rising unemployment.

The number of persons needing manpower services was estimated as follows:

| | | |
|---|---|---|
| Poor (note a): | | |
| Disadvantaged (note a): | | |
| Unemployed | 6,000 | |
| Underutilized (note b) | 50,000 | |
| Other poor (note c) | 14,000 | 70,000 |
| Nonpoor: | | |
| Unemployed | 17,000 | |
| Underutilized | 20,000 | 37,000 |
| Total | | 107,000 |

[a]See page 28 for definition.

[b]Employed part time for economic reasons (6,000); employed full time but with family incomes at or below poverty level (35,000); and persons who should be in labor force but are not (9,000).

[c]Persons with incomes below the poverty level but not meeting other criteria for classification as disadvantaged.

The Cooperative Area Manpower Planning System periodically collects data on the number of persons planned to be served and the number actually served by the various manpower and related programs in the Atlanta area. The data for fiscal year 1970 showed that, of the 46,550 planned job placements, only 18,705 had been made. A local committee member informed us that about 5,600 of the persons placed were disadvantaged and that the low number of placements was attributable to the decline in the economy.

Further information obtained from the local committee indicated that, for fiscal year 1970, training had been planned for about 6,700 disadvantaged and other poor persons and that about 10,300 had been trained to some extent. A local committee member told us that the increase was attributable to some trainees' terminating prior to completion which permitted enrollment of additional trainees.

Direct manpower services to the disadvantaged and other poor therefore included training to some extent for about 10,300 persons and job placement for 5,600 persons. Some of the persons placed in jobs had previously received training. Most of the estimated 70,000 poor in the Atlanta metropolitan area received no direct manpower services.

## ORGANIZATION OF OUTREACH ACTIVITY

The Georgia Training and Employment Service carried out the outreach activity for seven of the nine programs we reviewed. Outreach for the Work Incentive Program is the responsibility of the Georgia State Department of Family and Children Services and is carried out by caseworkers who deal with recipients of aid to families with dependent children. Outreach for the Vocational Rehabilitation Program is the responsibility of the Division of Vocational Rehabilitation, Georgia Department of Education, and is carried out by specialized caseworkers.

The Employment Service carried out the outreach function through five employment service offices and through three suboffices established in the Model Cities target area. Six offices were located within the city of Atlanta, and two were located just outside the city.

Employment Service outreach employees were located at the Job Corps residential center and the Concentrated Employment Program training center. In addition, the Employment Service used the facilities of Economic Opportunity Atlanta, Incorporated--Atlanta's Community Action Agency--which had provided and staffed, primarily with funds from the Office of Economic Opportunity, a network of 14 neighborhood service centers in low-income areas. (See maps on pp. 13 and 14.)

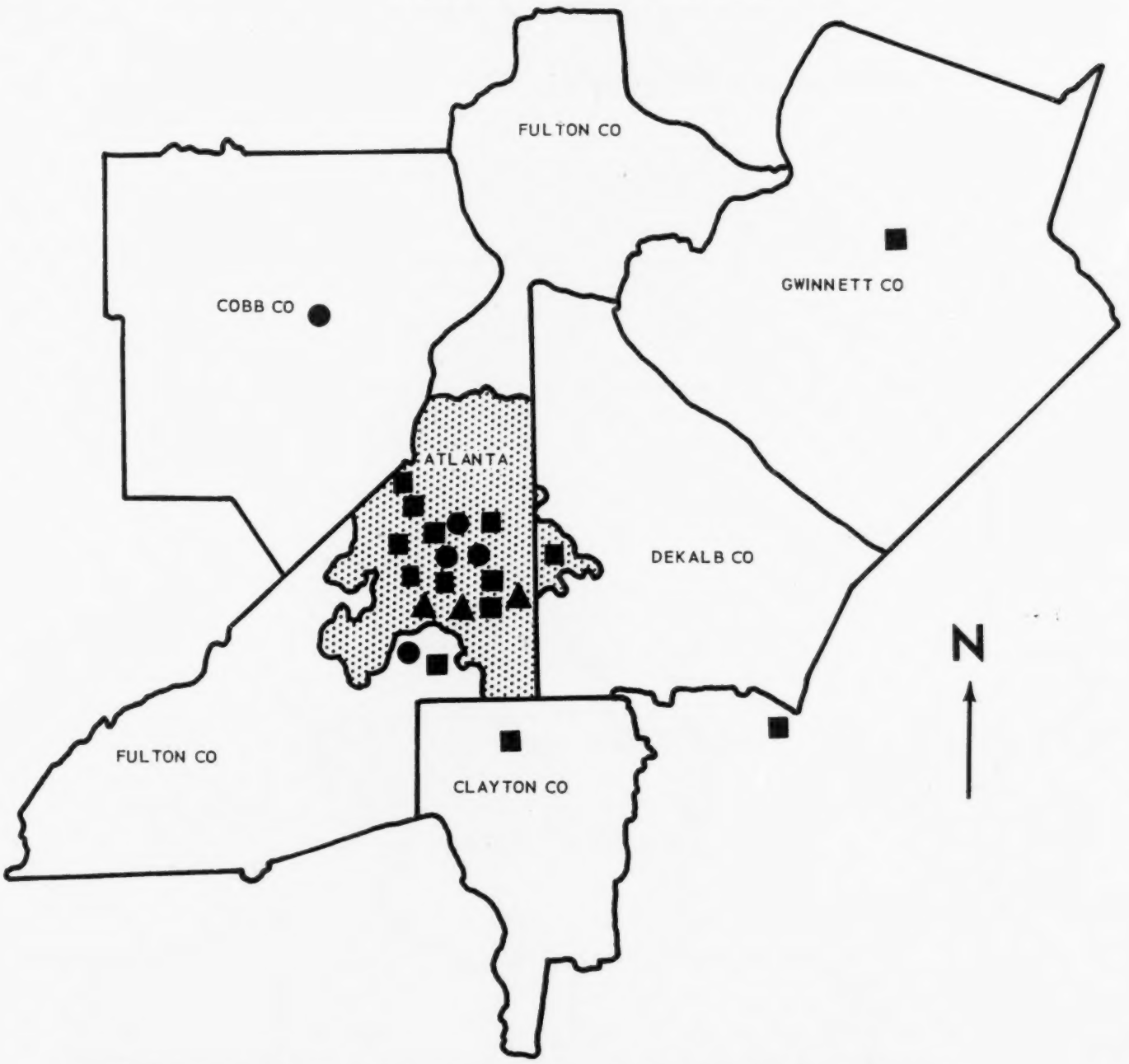
The outreach function was performed principally through community aides employed at the neighborhood service centers, who canvassed homes in each center's jurisdiction, interviewed residents, and encouraged persons with employment needs to come to the center for assistance. Employment Service interviewers assisted applicants who came to the centers and, where possible, referred them to jobs or training. All the programs relied to some extent on the neighborhood service centers and employment offices to identify and refer applicants who needed manpower services.

Although some programs occasionally used the news media as an additional means of encouraging persons to seek assistance, this approach did not represent a significant part of outreach. Manpower program officials advised us that

they limited outreach activity when there was little chance of the applicants' being served promptly, to avoid long waiting lists. Long waits, they said, disappointed applicants and lessened community support of programs.

The Employment Service reported that, during fiscal year 1970, its employees at the 14 neighborhood centers interviewed 14,000 persons seeking employment on initial visits and about the same number on subsequent visits. They made about 16,000 job referrals resulting in about 6,000 placements. They also referred 1,600 applicants to manpower programs, and 641 applicants were reported as accepted. Our examination of records of the various programs showed that about 80 percent of enrollees had been referred by the Employment Service and other agencies and that about 20 percent had applied for assistance on their own.

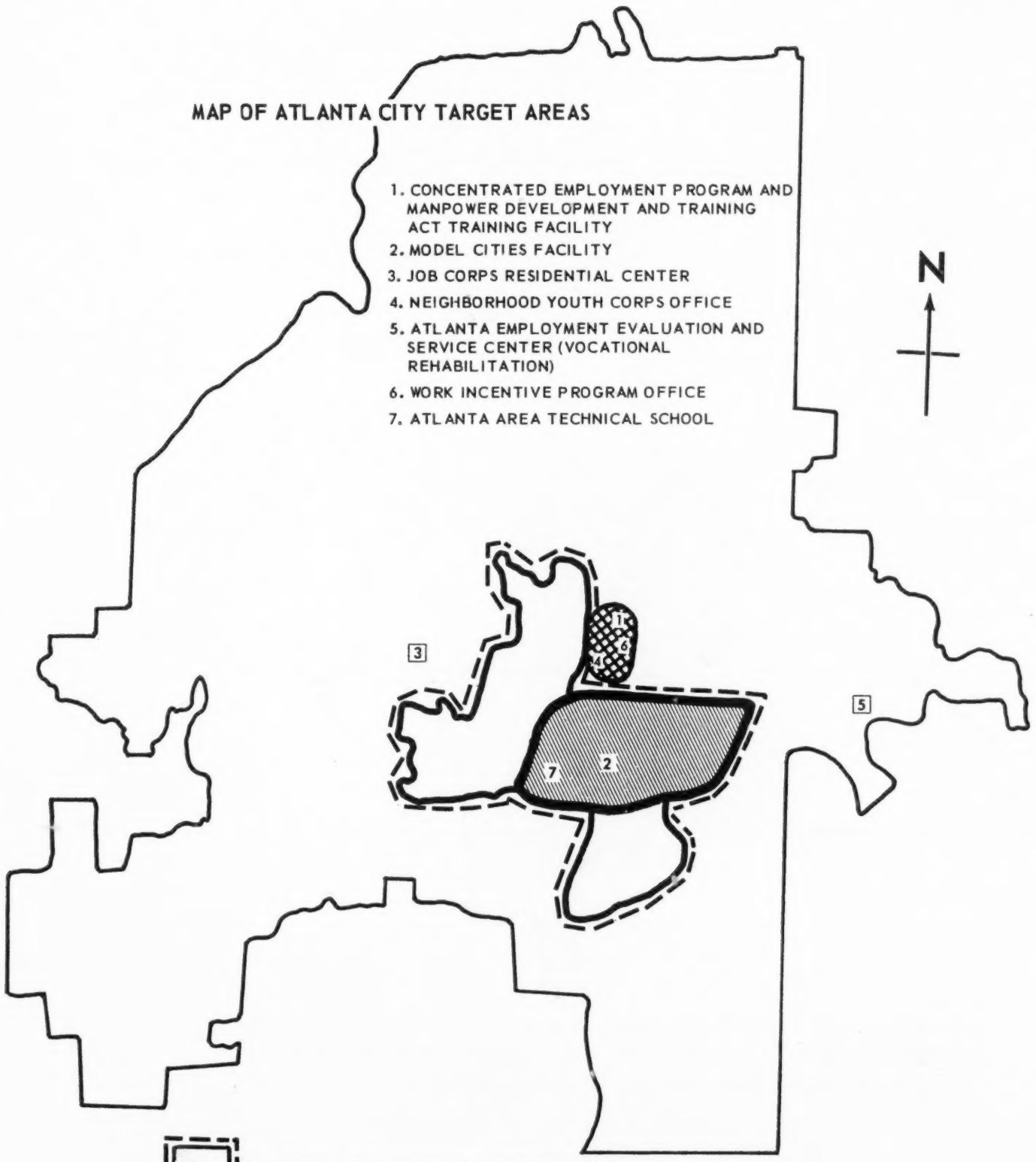
## ATLANTA METROPOLITAN AREA




● EMPLOYMENT OFFICES, GEORGIA TRAINING AND EMPLOYMENT SERVICE
■ NEIGHBORHOOD SERVICE CENTERS, COMMUNITY ACTION AGENCY
▲ EMPLOYMENT SUB-OFFICES, GEORGIA TRAINING AND EMPLOYMENT SERVICE

## MAP OF ATLANTA CITY TARGET AREAS

1. CONCENTRATED EMPLOYMENT PROGRAM AND MANPOWER DEVELOPMENT AND TRAINING ACT TRAINING FACILITY
2. MODEL CITIES FACILITY
3. JOB CORPS RESIDENTIAL CENTER
4. NEIGHBORHOOD YOUTH CORPS OFFICE
5. ATLANTA EMPLOYMENT EVALUATION AND SERVICE CENTER (VOCATIONAL REHABILITATION)
6. WORK INCENTIVE PROGRAM OFFICE
7. ATLANTA AREA TECHNICAL SCHOOL




TARGET AREA- CONCENTRATED EMPLOYMENT PROGRAM

TARGET AREA- MODEL CITIES PROGRAM

DOWNTOWN BUSINESS AREA- ATLANTA

ENROLLMENT ACTIVITY

The following table shows for the nine manpower programs the planned and actual enrollments during fiscal year 1970. The table does not include 3,059 planned slots or 3,614 actual enrollments in the Job Opportunities in the Business Sector noncontract program[1] or the Job Corps out-of-state program[2] which were not included in our review.

| Program | Enrollment | |
|---|---|---|
| | Planned | Actual |
| Concentrated Employment | 691 | 906 |
| Job Corps Residential Center | 350 | 321 |
| Job Opportunities in the Business Sector | 1,000 | 2,924 |
| Manpower Development and Training Act: | | |
| Institutional training | 190 | 295 |
| On-the-job training | 368 | 502 |
| Model Cities | 215 | 80 |
| Neighborhood Youth Corps (out-of-school) | 221 | 806 |
| Vocational Rehabilitation (training grant) | 240 | 452 |
| Work Incentive | 400 | 441 |
| Total | 3,675 | 6,727 |

Appendix V shows the enrollment activity for these manpower programs during fiscal year 1970.

For seven of the programs, the number of persons served substantially exceeded the planned enrollments. This occurred because the planned enrollments were based on authorized training spaces without considering early terminations. A significant number of trainees terminated their participation prior to completion of training, which permitted enrollment of additional trainees. The other two programs did not meet enrollment goals for the reasons discussed below.

---

[1]Involves persons hired by private employers without reimbursement by the Federal Government.

[2]Involves Atlanta area residents (primarily males) enrolled in Job Corps centers outside the State of Georgia.

Job Corps residential center

The Job Corps residential center for women in Atlanta (see picture on p. 17) is operated by a private industrial corporation under a contract with the Department of Labor. The contractor is responsible for providing outreach and screening (through the Employment Service), assessment, vocational training, and education.

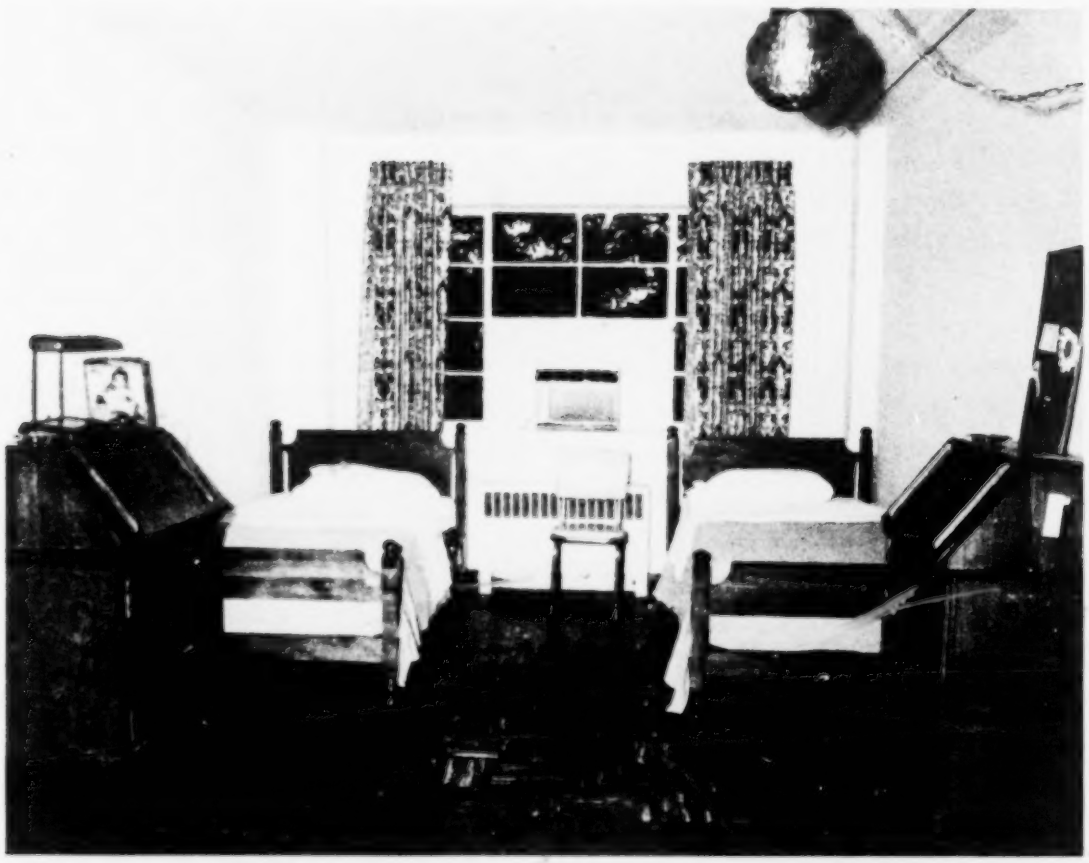
At the end of its first contract period, June 30, 1970, the Job Corps residential center for women was operating at about 73 percent of capacity, the highest percentage attained during the period, although eligible applicants were available to fill vacant training spaces. The center was delaying enrollments to satisfy the ratio of two black enrollees for every white enrollee as directed by the Department of Labor. The center was equipped and staffed to serve a capacity enrollment of 350 and, by not using its full capacity, was incurring higher than anticipated costs for each enrollee. (See p. 19.)

The center's primary purpose was to provide vocational training to 16- to 21-year-old girls--mostly disadvantaged high school dropouts. In contrast to other manpower programs, the center offered away-from-home, residential training opportunities for 250 girls. The center offered also training opportunities for 100 girls on a nonresident basis.

The center was to open on December 1, 1969, and the full capacity of 350 was expected to be reached by February 28, 1970. Because of delays in refurbishing the building, opening of the center was delayed until January 28, 1970. On the basis of a revised enrollment schedule, full capacity was expected to be reached around the second week of May 1970.

The Employment Service provided full-time outreach services, screened applicants, and submitted to the Job Corps regional office the necessary documents for approval of the applicants for enrollment. Women in Community Service, a private, nonprofit, volunteer organization, performed similar functions on a part-time basis. Both agencies began recruiting in areas of Atlanta where large numbers of poor persons lived; however, the Employment Service expanded its

ATLANTA JOB CORPS RESIDENTIAL CENTER



RESIDENT ENROLLEES' ROOM AT THE CENTER

recruiting area to include the nine counties surrounding Atlanta and finally announced that State-wide applicants would be considered.

Before the center opened, the Acting Director of the Job Corps at Department of Labor headquarters instructed the Job Corps Regional Administrator to plan outreach to achieve a racial balance in center enrollment of one third white and two thirds black. Despite an intensive recruiting campaign, the outreach agencies did not recruit enough white applicants to achieve the established ratio.

From its opening to June 30, 1970, the center had enrolled 321 trainees, of which 68 had dropped out; the enrollment at June 30 was 253, or 97 below capacity. At that date, 279 applications--nine were from white applicants--were in process and 178--five were from white applicants--had been forwarded to Job Corps regional headquarters for final approval.

The contractor operating the center was required during the year ended June 30, 1970, to provide 2,135 man-months of training service to trainees. Because the center had opened later than planned, the outreach agencies had not obtained enough applicants to meet the established racial quota, and some trainees had dropped out, the contractor provided only 791 man-months of service--about 37 percent of the requirement.

In response to our inquiry regarding the basis for establishing racial quotas for enrollment at Job Corps centers, the Department of Labor's Assistant Secretary for Manpower, by letter dated June 4, 1970, informed us that:

> "One of our primary concerns with the new center design is to operate the centers so that training opportunities will be available to the poor regardless of race."
>
> * * * * *
>
> "The Job Corps Regional Administrator who is responsible for monitoring recruitment efforts was instructed to ensure that an adequate outreach

program was established and maintained to serve equitably the girls of both races in Atlanta. A criterion of the success of this effort was felt to be the assignment of youth to the center in roughly the same proportion as is the racial distribution of the poor."

The Assistant Secretary explained that the quota was based on the findings of the Urban Employment Survey report conducted by the Bureau of Labor Statistics which showed that, of unemployed women 20 years old and over in Atlanta, about 72 percent were black and that, of all unemployed youth 16 to 19 years old, about 66 percent were black.

The Department's position that training opportunities should be available to the poor regardless of race conforms to a basic principle of federally financed programs. Yet the Job Corps center was the only manpower program in Atlanta for which enrollment was based on a racial quota. Other manpower programs filled training vacancies without regard to race.

During the 6-month period ended December 31, 1970, 271 trainees were enrolled and participation for 205 was terminated (21 completed training and 184 left prior to completion of training). The enrollment at December 31, 1970, was 319. By that date the overall termination rate had risen to 46 percent of total enrollment--65 percent among whites and 34 percent among blacks. At year-end 220 applications, including 14 for whites, were awaiting approval by the Job Corps regional office.

The center's operating costs from September 1, 1969, through December 31, 1970, totaled $2,[illegible]2,769. For that period the contractor had provided 2,6[illegible]6 of the 6,335 man-months of service to be provided to the total number of trainees expected to be enrolled during the contract period ended June 30, 1971. The average actual man-month cost for the period September 1, 1969, through December 31, 1970, was $953 ($11,436 annually) compared with a planned man-month cost of $542 ($6,504 annually) for the full contract period ended June 30, 1971.

Agency comments

In our draft report which we submitted to the Secretaries of Labor; of Health, Education, and Welfare; and of Housing and Urban Development for comment (their replies are included as apps. I, II, and III, respectively), we proposed that the Secretary of Labor consider the feasibility of intensifying recruiting efforts or, if appropriate, revising, on the basis of applications received and dropout experience, the racial quota applicable to the Atlanta Job Corps residential center for women.

In commenting on our proposal in a letter dated September 9, 1971, the Department of Labor, stated:

> "After some initial delay in recruiting white girls, the outreach effort has been successful. The center has reached its capacity of 350 enrollees and enrollment fluctuates within 5 or 10 percent of capacity."

The letter emphasized the desirability of having a nonsegregated residential training program (de facto as well as de jure) in the South. It stated that, if the center had been filled without regard to race, the outreach effort initially mounted by the Georgia State Employment Service would have filled the center completely with black girls and thus precluded the possibility of having the center serve the poor of both races.

The Department's letter stated that the Georgia Department of Labor, Economic Opportunity Atlanta, Incorporated, and Thiokol Chemical Corporation had requested more time to respond to the report. The comments from these organizations, however, had not been received at the time this report was submitted for final processing.

Our follow-up work at the center in September 1971 showed that recruitment efforts had improved and that the center was operating at about 97 percent of enrollment capacity. At the end of August 1971, 284 blacks and 55 whites were enrolled--a ratio of 84:16. Department of Labor officials told us that, although recruitment efforts were still being directed toward maintaining a 70:30 ratio, the ratio

which existed at the time of our follow-up visit had resulted because white enrollees had dropped out of the program at a much faster rate than black enrollees.

We recognize the desirability of maintaining a nonsegregated facility. As long as the expanded outreach activity continues to generate sufficient numbers of applicants of both races to promptly fill available training slots, the application of a predetermined ratio in selecting enrollees does not result either in obtaining less than maximum benefit from the Federal investment in the center or in preventing or delaying eligible applicants from getting needed training. In the event, however, that the outreach function does not continue to generate sufficient numbers of applicants from which to satisfy the ratio, consideration should be given to either revising the ratio or deviating from it to enable timely enrollments of applicants to fill available slots.

Model Cities Program

The employment component of this program began operating during fiscal year 1970 with major goals of (1) staffing three employment offices in the target area, (2) staffing a central facility for processing applicants, and (3) providing 215 training opportunities for target-area residents under a number of training projects. At the time of our fieldwork, the program had accomplished the first two goals but it had fallen short of its enrollment goals.

The Employment Service operated the employment component under a contract with the City Demonstration Agency, an agency of the city of Atlanta which planned and coordinated the Model Cities Program in Atlanta. This contract was effective July 1, 1969. Facilities and staffing for the start of operations were completed in November 1969. In January 1970 the first training course, involving clerical skills, was undertaken in a private business school.

Also a few trainees were enrolled in the Atlanta Area Technical School. A contract with a local union to provide training in carpentry for about 20 persons was canceled because most of the jobs were outside the Model Cities area and because the component was unable to arrange for transportation to the jobsites. A proposed contract with another union to provide truck-driver training for about 20 persons was disapproved by the Model Cities executive board because of uncertainty as to whether the trainees, upon completion, could be placed in training-related jobs.

During the 6-month period ended June 30, 1970, the component enrolled 80 trainees; however, participation for 29 was terminated, for some because they were dropouts and for some because there were project cancellations. The contract with the City Demonstration Agency was extended to December 1970, and nine additional persons were enrolled in training during the extension period. Contract costs incurred during the 18-month period totaled about $160,000 for training and related allowances and about $365,000 for other costs (outreach offices, staffing of central facility, medical services).

In explaining the inability to reach trainee-enrollment goals, the manager of the employment component advised us that training courses in public and private schools could not be used more extensively because enrollment was permitted only at the start of classes. He pointed out that, after unsuccessful attempts to contract with the unions, it had been too late to redirect training plans toward vocational courses. He also said that Model Cities trainees could not be enrolled in other manpower programs in Atlanta, contrary to what had been planned, because openings were not available. He told us that he was more hopeful about union participation in 1971 and that the carpentry contract had been renewed and that transportation to the jobsites would be provided.

In view of the difficulties encountered by the Model Cities Program in establishing a viable training component, we expressed the view in a draft of this report that its continuation as a separate effort was questionable. We pointed out that, since the Concentrated Employment Program served the same inner-city target area and had an ongoing training program, the Model Cities Program could utilize, on a reimbursable basis, the Concentrated Employment Program as an agent for providing training.

AGENCY COMMENTS

In our draft report we proposed that the Secretaries of Labor and of Housing and Urban Development coordinate the manpower efforts of the Model Cities and Concentrated Employment Programs and consider delegating the responsibility for the Model Cities training component to the Concentrated Employment Program in Atlanta.

Although both Departments agreed with our suggestion for increased coordination, the Department of Housing and Urban Development, as well as the Atlanta City Demonstration Agency (from whom the Department obtained comments on our draft report), expressed disagreement with our suggestion that responsibility for the Model Cities training component be delegated to the Concentrated Employment Program in Atlanta. Details of each Department's comments are summarized below.

Department of Housing and Urban Development

The Department stated that the Concentrated Employment Program did not serve the model neighborhood exclusively and that it extended its operational jurisdiction far beyond the Model Cities area. It stated also that, if the training services of the Model Cities manpower program were consolidated with the service of the Concentrated Employment Program, it would be probable that concentrated services to Model Cities neighborhood residents could be diluted.

We were informed that it was the position of the Department that cities should be free to select the most appropriate delegate agency through which to provide the needed service and that the Atlanta Community Development Agency should continue to be free to purchase training services while maintaining coordination and avoiding unnecessary duplication of other local manpower efforts.

With respect to coordination, we were advised that Department officials had met with Department of Labor representatives to urge that they work more closely with the Georgia State Employment Service to achieve coordination between the Concentrated Employment Program and the Model

Cities employment component, especially since the Georgia State Employment Service was primarily responsible for operational roles in both.

The Department stated that it was directing the regional office of the Department of Housing and Urban Development to renew discussions with the regional office of the Department of Labor and the Georgia State Employment Service to review the implications of our report and to recommend specific actions.

The Department also noted that, at the time of our review, a number of contracts between the Atlanta Model Cities Agency and delegate agencies for the manpower program had not yet been signed. As a result of activities under these contracts, some of the operational aspects and performance statistics of the program have been greatly altered.

The Atlanta City Demonstration Agency expressed basically the same reasons for not wanting to delegate responsibility for the Model Cities training component as were expressed by the Department of Housing and Urban Development.

Our follow-up on the training component of the Model Cities Program in Atlanta showed that, for the second year of operation--January 1 through December 31, 1971--$500,000 in program funds was approved to provide 225 training opportunities. By mid-August 1971, contracts for approximately $470,000 had been awarded and 186 participants had been enrolled. Of the 186 participants, 109 were still enrolled, 11 had successfully completed training, and 66 had dropped out of training.

Department of Labor

The Department stated that, although it concurred in the proposal that responsibility for the Model Cities training component be delegated to the Concentrated Employment Program, specific guidelines regarding the separate and joint responsibilities of the agencies should be included in any such delegation. The Department stated also that its regional office in Atlanta was in the process of initiating action to effect this change.

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Our objective in proposing that consideration be given to delegating the responsibility for the Model Cities training component to the Concentrated Employment Program was to establish an adequately functioning training component for the Model Cities Program in Atlanta. We believe that the efforts undertaken for increased cooperation and coordination by the Department of Housing and Urban Development, the Department of Labor, and the Georgia State Employment Service should result in improving the effectiveness of the Model Cities training component. Although our follow-up work indicated that there had been improvement in the operation of the Model Cities training component, we believe that specific emphasis should be placed on the monitoring of this component by the Departments of Labor and Housing and Urban Development until such time as it is operating closer to its capacity.

Recommendation to the Secretaries of Labor and of Housing and Urban Development

We recommend that the Secretaries of Labor and of Housing and Urban Development closely monitor the coordination between the Model Cities and the Concentrated Employment Programs until such time as the Model Cities training component is operating closer to its capacity.

## CHAPTER 3

## RESULTS OF SCREENING OPERATIONS

Except for two programs which needed improved procedures for determining applicants' eligibility, the activities generally referred to as screening were carried out satisfactorily.

Our review showed that improvements could be made in the manner in which services were provided by the several manpower programs. Such improvements would permit more effective assessment of enrollees' individual training needs, more flexibility in satisfying these needs, and more equitable treatment of program participants. We believe that these improvements can be accomplished by consolidating responsibility for screening activities and by standardizing the allowances paid to enrollees.

After a person, who is in need of training to become job-ready, has been referred to a specific program through the outreach activity, he goes through the next phase of program services known as screening. This phase involves ascertaining the enrollee's eligibility under the criteria of the specific program, assessing the enrollee's vocational needs and abilities, and assigning the enrollee to appropriate training and education courses. Vocational assessment generally includes orientation of the enrollee, counseling, achievement and aptitude testing, and, in some instances, work-experience and work-sampling evaluation. During the assessment phase data is gathered for developing an employability plan.

Most programs pay training allowances starting with the screening phase; all programs offer vocational training pay allowances during the training period.

Following are our comments on the adequacy of eligibility determinations, on the need for consolidation of manpower services, and on the standardization of training allowances.

## ELIGIBILITY OF ENROLLEES

Services under six of the nine programs generally are available only to disadvantaged persons. Programs authorized by the Manpower Development and Training Act require that at least 65 percent of the enrollees be disadvantaged. Vocational Rehabilitation Programs serve handicapped persons and other qualified applicants between 16 and 65 years of age regardless of whether they are disadvantaged.

The Department of Labor has defined a "disadvantaged individual" as a poor person who does not have suitable employment and who is either (1) a school dropout, (2) a member of a minority, (3) under 22 years of age, (4) 45 years of age or over, or (5) handicapped. The Department has defined a "poor person" as a member of a family receiving cash welfare payments or as having an annual net income below certain specified levels.

Several programs have additional limitations on eligibility.

--The Job Corps residential center serves 16- to 21-year-old girls.

--The Neighborhood Youth Corps out-of-school program serves mostly 16- and 17-year-olds of both sexes; 10 percent of its enrollees can be 18 years old.

--The Work Incentive Program serves recipients of aid to families with dependent children.

--The Concentrated Employment and Model Cities Programs serve only residents of their target areas.

We tested the eligibility of 769 enrollees, selected on a random basis from about 5,000 enrollees, in eight programs during fiscal year 1970. We did not test the eligibility of enrollees in the Job Opportunities in the Business Sector program on a statistical basis because records for all enrollees were not available.

Our tests showed that 25 enrollees were ineligible for the following reasons:

| | |
|---|---|
| Income above poverty level | 15 |
| Residence outside target area | 2 |
| Age not within established limits | 8 |
| Total | 25 |

Eligibility could not be determined in 85 cases because family income was not shown in 66 enrollees' records and because waivers of eligibility had not been documented in 19 enrollees' records.

For the most part the eligibility problems were confined to the Neighborhood Youth Corps Program and Job Opportunity in the Business Sector programs.

Eligibility problems noted in the Neighborhood Youth Corps out-of-school program

Our review of 89 enrollees' files, selected from a total of 392, showed that 19 enrollees were ineligible and that the eligibility of eight enrollees could not be determined because sufficient information was not in the files. The program director attributed the enrollment of ineligible applicants to the fact that counselors who screened applicants had excessive work loads and as a result did not always make their eligibility reviews in enough depth to screen out all ineligibles and to ensure that all required documentation was on file. The director told us that turnover among counselors was very high, primarily because of low salaries, and that only she and one other employee had been involved in the program for longer than 1 year.

At the time of our review, the program had 11 employees--six of whom were assigned counseling responsibility.

The director told us also that she had requested funds for hiring additional counselors and for increasing the salaries of counselors. She stated that the hiring of two additional counselors had been approved, but that the salary increases had not. The director stated also that

she would reemphasize to counselors the need to consider all pertinent factors in making eligibility determinations and the need to ensure that all required documentation bearing on eligibility was on file for each enrollee. The director informed us that the eligibility of enrollees would be reevaluated.

We believe that the actions described by the director, if properly carried out, should help correct the problems we noted concerning eligibility of enrollees.

## Eligibility problems noted in the Job Opportunities in the Business Sector program

Our review of the basic records documenting employment under the program (hire cards) for 116 of about 1,400 program enrollees showed that family income was not recorded in 57 cases and that therefore their eligibility as poor under the Department of Labor criteria could not be determined. These hire cards had been submitted by the employers and were the only evidence of enrollees' eligibility. No information was available as to which employment service office had certified the eligibility of these enrollees.

We previously discussed improvements needed in procedures and practices for ascertaining and documenting the eligibility of trainees in this program in a report to the Congress entitled "Evaluation of Program Results and Administration of the Job Opportunities in the Business Sector Program (JOBS) in Five Cities" (B-163922 Mar. 24, 1971).

In that report we recommended that the Department of Labor develop more exacting procedures for screening prospective trainees in the program and provide for reasonable substantiation of those elements upon which eligibility determinations are based, particularly information on family income. The data examined during our most recent review had been submitted by the employers before the Department of Labor had an opportunity to fully evaluate the need for corrective actions as discussed in our prior report.

## OPPORTUNITIES FOR MORE EFFECTIVE MANPOWER SERVICES THROUGH CONSOLIDATION OF ASSESSMENT ACTIVITIES

There were significant differences among the programs in the methods used and the lengths of time spent in assessing enrollees' needs and in the training choices available to enrollees.

During fiscal year 1970 about 2,300 enrollees received assessment services and about 3,300 received vocational training under seven of the nine programs. Under the two remaining programs, Job Opportunities in the Business Sector and on-the-job training, enrollees were placed immediately in a normal work environment with no assessment of their vocational training needs.

### Assessment services available

The length of time devoted to assessing an enrollee's needs and the extent of the assessment services provided varied significantly. Following are descriptions of assessment services provided under each of the seven programs.

Institutional training under the Manpower Development and Training Act provides assessment including counseling and the General Aptitude Test Battery which measures vocational aptitude in a number of areas. The assessment period is 1 to 3 days.

The Model Cities Program provides the same services as does institutional training.

The Concentrated Employment Program provides orientation and assessment including individual and group counseling, introduction to work, sensitivity training, the General Aptitude Test Battery, and the Basic Achievement of Common Knowledge Test (verbal and arithmetic). The assessment period is 2 weeks.

The Work Incentive Program provides orientation and assessment including individual counseling, the General Aptitude Test Battery, and about 2 weeks of work sampling. Work sampling includes up to 28 different categories of

employment in 14 general industrial jobs and is intended to help ascertain a person's manipulative and work skills as well as his interests within different occupational categories. The assessment period is 4 weeks.

The Job Corps Program provides orientation and assessment including counseling and the Stanford Achievement Test (verbal and arithmetic), which determines the ratio of occupational training and remedial education to be given. It offers no vocational testing. The assessment period is 2 weeks.

The Vocational Rehabilitation Program provides orientation and assessment including individual counseling, a number of standardized tests, psychological evaluation, workshop-skill and work-habit evaluations, and work sampling similar to that described under the Work Incentive Program. The assessment period is 4 weeks or more.

The Neighborhood Youth Corps out-of-school program provides the same services as does Vocational Rehabilitation.

The Employment Service, as is the case in outreach activities, is significantly involved in the assessment activity in Atlanta. The Employment Service provides assessment for the first four of the seven programs listed above, but the extent and nature of assessment is determined separately for each program. Employment Service counselors carrying out assessment activities are located at the four program headquarters.

The contractor operating the Job Corps residential center carries out its own assessment. The Atlanta Employment Evaluation and Service Center, an affiliate of the Division of Vocational Rehabilitation, Georgia Department of Education, performs the assessment function for Vocational Rehabilitation and the Neighborhood Youth Corps.

Training opportunities available

The seven programs offered a variety of training opportunities; however, individual trainees, once enrolled in a program, were limited to the training courses provided by that program.

Four programs provided most of their enrollees with in-house training; a limited number of trainees were referred to public and private schools. The other three programs provided training only through referrals to public and private schools.

Occupational choices in programs providing in-house training were relatively limited and ranged between four and seven skill categories. Trainees referred to public and private schools had a considerably wider choice of occupations. The Atlanta Area Technical School, for example, offered regular courses in about 43 different occupations and additional short-term courses.

All but one program offered basic education, but only four of the seven programs offered high school equivalency preparation. Four programs offered work experience and two offered on-the-job training opportunities.

Training activities in the Atlanta area have been provided on an individual-program basis without any special efforts on the part of agencies administering the activities to cooperate or to coordinate their programs so that the maximum training choices would be available to all manpower-training-program enrollees.

Atlanta did not have a skill center to which trainees of all manpower programs could be referred for training. Skill centers are self-contained facilities operating on a full-time basis during the day, generally under public school administration, to provide work orientation, basic and remedial education, institutional skill training in a variety of occupations, and counseling and related services. The establishment of skill centers is promoted by the Departments of Labor and of Health, Education, and Welfare.

The Manpower Development and Training Coordinator, Atlanta Public School System, advised us that a skill center was planned for 1971 and initially would be used for the Concentrated Employment Program and the regular Manpower Development and Training Act program. The center would have the capability for expansion to allow other programs to buy training spaces either for entire classes or for individual enrollees. He said also that training courses would be

planned so that trainees could enter at any time, complete training as rapidly as their capabilities allowed, and leave whenever job placement was feasible. Courses would be planned to the extent possible on a "cluster" concept so that each trainee would have a variety of options; for example, in a general clerical course, the options might be typing, filing, or office machine operations.

As of November 3, 1971, a centralized training facility was operating in Atlanta, but the facility had not been designated as a skill center by the Department of Labor. Local officials advised us that they expected such a designation early in calendar year 1972.

We question the need for the significant differences in the assessment services provided by the various programs since all the programs serve basically the same population--the disadvantaged. This population, with the possible exception of physically and mentally disturbed disadvantaged persons served by the vocational rehabilitation program, generally has the same range of job-preparation and employment needs.

Each program assesses the vocational needs of its enrollees, but the assessment services provided are limited to those available within the program, without regard to whether the enrollee needs a greater or lesser amount of assessment services. Such needed services may be provided under other programs but are not available to trainees not enrolled in those programs.

We believe that the extent of assessment services provided should depend on the enrollee's individual needs and should not be restricted to the services provided by the program in which the person is enrolled.

We discussed with regional Federal, State, and local manpower officials the feasibility of improving manpower services to Atlanta area residents by consolidating under a single assessment unit the responsibility for the vocational assessment activity for all federally supported manpower programs.

These officials acknowledged that quality assessment services should be available to all manpower program trainees and that the existing system of separate and varying services is not meeting this need. They expressed the view that, in an urban community such as Atlanta, it is both feasible and desirable to consolidate the responsibility for assessing vocational needs of disadvantaged residents for the purpose of improving manpower services.

The officials mentioned the Georgia Training and Employment Service as being in a favorable position to assume this responsibility because of its significant role in serving manpower programs. They also mentioned the Atlanta Employment Evaluation and Service Center, which is responsible for serving Vocational Rehabilitation, as having considerable experience in vocational assessment and as being qualified for assuming a broader role. Officials of these two agencies agreed with the concept of a consolidated assessment function and were in favor of their agencies' playing a leading role in implementing any plan to bring it about.

The consensus of the officials was that such proposed consolidation should be accomplished by establishing, in a central location convenient to public transportation, one or more vocational assessment centers which would provide a wide range of assessment methods in cooperation with the planned skill center. To adequately serve its function, the assessment center(s) should provide stipends, transportation allowances, and other supportive services to enrollees during the assessment period such as are now provided by most manpower programs.

## Conclusion

The screening function could be improved by providing vocational assessment services based on the individual's needs and desires and by making available the entire range of assessment services under all manpower programs regardless of the specific program to which the trainee is to be assigned.

To accomplish this improvement the responsibility for screening activities for all manpower programs in the Atlanta area should be centralized in one State or local agency. Federal, State, and local officials responsible for administering manpower programs in Atlanta consider such a consolidation to be feasible and desirable. Consolidation of screening activities in an area, such as Atlanta, should be accomplished by cooperative administrative action on the part of Federal, State, and local agencies. We noted that, in other metropolitan areas where we have reviewed federally assisted manpower training programs, screening activities were carried out under arrangements similar to those in Atlanta.

## Recommendation to the Secretaries of Labor; Health, Education, and Welfare; and Housing and Urban Development

To provide disadvantaged persons with the maximum benefits from federally assisted manpower programs, we recommend that the Secretaries of Labor; of Health, Education, and Welfare; and of Housing and Urban Development, in cooperation with State and local agencies, consolidate, to the extent feasible, screening under all federally assisted manpower programs in metropolitan areas such as Atlanta, so that the entire range of vocational assessment services can be made available to meet the individual needs and desires of program participants.

## Agency comments

The Departments of Health, Education, and Welfare and of Housing and Urban Development agreed with our recommendation; the reply from the Department of Health, Education, and Welfare favored centralization of the screening activity

in the Atlanta Employment Evaluation and Service Center. The Department's reasoning in this regard is contained in the letter included as appendix II to this report. The Department of Labor did not concur in our recommendation and, in commenting on our draft report, stated:

> "We do not agree that the vocational rehabilitation program serves basically the same population as other programs designed for the disadvantaged. Even though the various other programs are directed toward the disadvantaged, each program is geared to the varying needs of the individual grouping within the disadvantaged population. The three programs cited for the longest periods of screening offered two weeks of work sampling which, if continued, would not be reduced through consolidation. As stated in the report, the Employment Service is performing most of the screening for our manpower programs and we do not feel that it is feasible at this time to offer the extensive services of the vocational rehabilitation and WIN [Work Incentive Program] programs to all recipients of manpower programs."

The Atlanta City Demonstration Agency expressed the following opinion on our recommendation:

> "The proposition of a centralized screening, testing, assessment, and counseling unit for the Atlanta area has merit only if such services would be greatly improved in terms of effectiveness and efficiency. The fact that Model Cities performs these services in the community where clients live has considerable convenience value which should not be disregarded. A careful weighing of relative benefits should be made. The Report dwelled mainly on differences in methods and techniques of testing and assessment; acknowledging then that differences do exist, then should not standardization of method be the aim rather than consolidation of service. Consolidation would only be a logical step if significant benefits could be gained in cost savings. Savings

through consolidation would be made only if existing assessment and counseling units are underutilized."

GAO evaluation

Our report points out that the vocational rehabilitation program serves a broad segment of the population needing its services including the disadvantaged. Section 15 of the Vocational Rehabilitation Act (29 U.S.C. 42-1) authorizes payments to vocational rehabilitation agencies which provide vocational evaluation and work adjustment services to disadvantaged persons enrolled in other programs. Our work in Atlanta indicated that, in most manpower training programs, slots are filled on a first-come-first-served basis without any special efforts to enroll applicants who might need extensive assessment services in programs which provide such extensive services.

Our recommendation does not contemplate that the full range of available services be provided to all enrollees. Rather, it is our view that whatever services an enrollee requires should be provided without regard to the range of services historically provided by the specific program to which an enrollee is assigned.

The comments of the Department of Health, Education, and Welfare describe in some detail the very high level assessment capability of the Atlanta Employment Evaluation Service Center. It is doubtful, however, that all manpower program enrollees need the extensive screening services provided by the center, but our view is that any enrollee who needs such services should have access to them as a part of the assessment program. We believe therefore that consolidation, to the extent feasible, of screening services under all manpower training programs is necessary so that the entire range of vocational assessment services can be made available to meet the individual needs and desires of program participants.

## NEED FOR STANDARDIZING TRAINING ALLOWANCES AMONG MANPOWER PROGRAMS

Training allowances, which are intended to be subsistence or incentive payments and are determined in accordance with enabling program legislation, varied significantly among the programs. We believe that standardization of such allowances is desirable because it would be more equitable for trainees to receive comparable allowances while undergoing similar training and because it should simplify the administration and payment of trainee allowances.

### Provisions of legislation

The Manpower Development and Training Act (42 U.S.C. 2583) authorizes the payment of weekly training allowances and allowances for dependents in amounts which shall not exceed the States' average weekly unemployment compensation payments by more than $10 except that trainees with three to six dependents are entitled to receive an additional weekly allowance of $5 for each such dependent.[1] Trainees on welfare receive incentive payments of $20 weekly in lieu of the training allowances; they also receive an allowance for expenses, such as transportation. The provisions of this act apply to institutional training and to qualified trainees in the Concentrated Employment and Model Cities Programs.

The Economic Opportunity Act (42 U.S.C. 2741) provides that the rates of pay to enrollees of the Neighborhood Youth Corps Program's out-of-school component be appropriate and reasonable in view of the type of work, the geographical region, and the proficiency of the participant. The Department of Labor established the trainee allowance for this program. Trainees enrolled before July 1, 1970, receive the minimum hourly wage. Trainees enrolled after July 1, 1970, who are heads of households, are paid the same basic allowance as Manpower Development and Training Act program enrollees plus $5 a week for each dependent up to six. Enrollees who are not heads of households are paid 75 percent of the basic allowance.

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[1] For the quarter ended September 1970, the allowance for the State of Georgia was $40 a week plus the $5 dependency allowance.

The Economic Opportunity Act of 1964 (42 U.S.C. 2719) authorizes Job Corps trainees' allowances not to exceed $35 a month during the first 6 months of training and $50 a month thereafter. The act provides that a trainee receive upon termination a readjustment allowance of up to $50 for each month of satisfactory service. Under certain circumstances an allotment to dependents of up to $25 a month may be paid from the readjustment allowance before termination and will be matched by the Government.

The Social Security Act (42 U.S.C. 634) authorizes incentive payments of not more than $30 a month to Work Incentive Program trainees in institutional training and work experience.

The Vocational Rehabilitation Act (29 U.S.C. 41b) provides that trainee allowances not exceed $25 a week plus $10 for each dependent up to four with a $65-a-week maximum payment. This provision applies only to grants for special projects, such as training services projects. In the general vocational rehabilitation program, training or incentive allowances are not ordinarily provided. In lieu of these allowances, maintenance is usually provided as needed and is actual cost.

Variations in trainee allowances

Training allowances are paid in seven of the nine programs that we reviewed. The table on the following page shows for the seven programs the effect of the legislative provisions and of the local practices on trainee allowances. In all cases allowances shown are for trainees in vocational training and include, where applicable, transportation allowances and welfare payments. Trainee allowances for nonresidents at the Job Corps residential center are the same as for residents; we have not included residents in our comparison because they receive substantial noncash benefits.

Monthly Allowances to Manpower Program Trainees In Atlanta, Georgia, Area During the Period July to September 1970 (note a)

| Program | Number of dependents | | | | | | |
|---|---|---|---|---|---|---|---|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 |
| Manpower Development and Training Act, Concentrated Employment, Model Cities: | | | | | | | |
| Regular institutional | $185 | $207 | $229 | $250 | $272 | $294 | $315 |
| Welfare recipient (note b) | (c) | 201 | 232 | 263 | 294 | 294 | 294 |
| Vocational Rehabilitation (note d) | 108 | 152 | 195 | 238 | 282 | 282 | 282 |
| Work Incentive (note b) | (c) | 126 | 157 | 188 | 219 | 219 | 219 |
| Neighborhood Youth Corps (note d): | | | | | | | |
| Persons enrolled prior to July 1, 1970 (note e) | 222 | 222 | 222 | 222 | 222 | 222 | 222 |
| Head of household | 173 | 195 | 217 | 238 | 260 | 282 | 303 |
| Not head of household | 130 | 152 | 173 | 195 | 217 | 238 | 260 |
| Job Corps--nonresidents (notes d and f) | 80 | 105 | 105 | 105 | 105 | 105 | 105 |

[a]Where necessary, weekly allowances were converted to monthly allowances by using a factor of 4-1/3 weeks.

[b]Includes amount of welfare payments.

[c]Not applicable.

[d]These programs do not differentiate between welfare recipients and nonrecipients. Therefore enrollees in these programs who qualify for welfare payments may receive additional amounts ranging from $71 to $164.

[e]This category will be phased out as current enrollees are terminated.

[f]Represents $30 training allowance and $50 readjustment allowance plus $25 matching contribution from Government for enrollees with dependents. Amount in each category could be increased by $20 a month after 6 months of participation.

As shown in the table, considerable variation exists in monthly payments among the seven programs. For trainees with no dependents, for example, there is a difference of about $100 between the lowest and highest payments; for payments to certain trainees enrolled prior to July 1, 1970, the difference is $142. For trainees with three dependents who are not welfare recipients, the difference can be as much as $145.

Trainees undergoing assessment are paid normal allowances except under the Vocational Rehabilitation and the Model Cities Programs. During assessment under vocational rehabilitation, trainees receive $1 a day for transportation and $2 a day for child care if the enrollee is head of a household. Enrollees also get a free lunch each day. Trainees undergoing assessment under the Model Cities Program, however, get none of these benefits.

Model Cities, Concentrated Employment, and institutional training under the Manpower Development and Training Act are the only programs which reduce allowances for trainees who are recipients of welfare payments.

We recognize the need for flexibility in fixing allowances so that such individual circumstances as number of dependents, family responsibility, and status as a welfare recipient can be considered. We see no justification, however, for the existing differences in allowances paid under the several programs to individuals of similar circumstances participating in similar training in the same geographical area. Programs offering higher allowances tend to attract enrollees to the possible detriment of programs offering lower allowances. We believe that, in the interest of equitable treatment of all trainees and of consistent Government-wide policy, training allowances for all federally funded training programs should be standardized to the maximum extent practicable.

Matter for consideration by the Congress

In view of the differences in training allowances payable under federally assisted manpower programs, which are generally attributable to various provisions of enabling legislation, the Congress may wish to consider amendatory legislation which would standardize such allowances for participants in similar training activities under similar circumstances in the same area.

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In commenting on our draft report, the Department of Housing and Urban Development and the Department of Labor agreed that training allowances should be standardized for all programs. The Department of Health, Education, and Welfare did not comment on this matter.

## CHAPTER 4

## SCOPE OF REVIEW

Our review of outreach and screening activities of federally assisted manpower programs in the Atlanta area covered operations during fiscal year 1970.

We made our review at the various State and local agencies performing outreach, screening, and training activities and at the regional office of the Department of Labor. We reviewed the applicable legislation and policies and procedures of the administering agencies. We interviewed local, State, and Federal officials and examined pertinent contracts, reports, and records.

In our review, we made use of samples of enrollees' records, primarily to test enrollee eligibility. Except for the Job Opportunities in the Business Sector program, these samples were selected by statistical methods which ensured randomness of selection.

APPENDIX I

U.S. DEPARTMENT OF LABOR
OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION
WASHINGTON, D.C. 20210

SEP 9 1971

Mr. Henry Eschwege
Associate Director
Civil Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Eschwege:

We have reviewed the General Accounting Office draft report entitled "Opportunities for Consolidation of Services and Other Improvements in Federally Assisted Manpower Programs in the Atlanta, Georgia, Area". For your convenience, our replies to the recommendations are in the same order as presented in the report.

1. Recommendation to the Secretary of Labor - Atlanta Job Corps residential center for women:

The report is critical of the Job Corps program because enrollment was slower than expected due to the Department's effort to recruit and assign enrollees to the center in keeping with the racial composition of the poor in Atlanta. The report makes frequent reference to a "racial quota". Rather, it was agreed that if the center was to serve the poor of both races, it was essential that it operate on an integrated basis. We feel the report does not properly appreciate the desirability of having a non-segregated residential training program (de facto as well as de jure) in the South. If the center were to be filled "without regard to race" the outreach effort initially mounted by the Georgia State Employment Service would have filled the center completely with black girls, thus precluding the possibility of having the center serve the poor of both races.

After some initial delay in recruiting white girls, the outreach effort has been successful. The center has reached its capacity of 350 enrollees and enrollment fluctuates within five or ten percent of capacity.

APPENDIX I

2. Recommendation to the Secretaries of Labor and Housing and Urban Development - coordinate the manpower efforts of the Model Cities and Concentrated Employment Programs.

We concur with the recommendation that responsibility for the Model Cities Training component be delegated to the Concentrated Employment Program. However, we feel that specific guidelines regarding the separate and joint responsibilities of the agencies must be included in any such delegation.

The DOL regional office in Atlanta is in the process of initiating action which can hopefully effect this change.

3. Recommendation to the Secretaries of Labor; Health, Education and Welfare; and Housing and Urban Development - screening all federally assisted manpower programs in all metropolitan areas, so services can be made available to meet the individual needs and desires of program participants.

We do not agree that the vocational rehabilitation program serves basically the same population as other programs designed for the disadvantaged. Even though the various other programs are directed toward the disadvantaged, each program is geared to the varying needs of the individual groupings within the disadvantaged population. The three programs cited for the longest periods of screening offered two weeks of work sampling which, if continued, would not be reduced through consolidation. As stated in the report, the Employment Service is performing most of the screening for our manpower programs and we do not feel that it is feasible at this time to offer the extensive services of the vocational rehabilitation and WIN programs to all recipients of manpower programs.

4. Matter for consideration by the Congress - standardizing training allowances payable to participants in similar training activities.

We concur with the recommendation on the need for standardizing training allowances for the many programs. Difficulties can arise if enrollees in one program are paid at different rates than enrollees in other federally funded manpower programs. Such differences not only lay the program open to public criticism, but, through their influence on enrollee confidence and morale, can undermine the effectiveness of the program itself.

The existing differences in training allowances has come to the attention of the Department time and time again. Many evaluation reports and other studies have recommended action be taken to standardize allowances in existing manpower programs. We again support the recommendation.

The Georgia Department of Labor, Economic Opportunity Atlanta, Inc. and Thiokol Chemical Corporation have requested more time to respond to the report. We will forward their comments and Department's evaluation of them as soon as they are received.

We appreciate the opportunity to review and comment on this draft report.

Sincerely,

FRANK G. ZARB
Assistant Secretary for Administration

APPENDIX II

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

AUG 12 1971

Mr. Philip Charam
Associate Director, Civil Division
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Charam:

The Secretary has asked me to respond to the draft report on the GAO Review of Opportunities for Consolidation of Services and Other Improvements in Federally Assisted Manpower Programs in the Atlanta, Georgia Area. Enclosed are the Department's comments on the findings and recommendations in your report.

We appreciate this opportunity to comment prior to issuance of the final report.

Sincerely yours,

JBCardwell

James B. Cardwell
Assistant Secretary, Comptroller

Enclosure

COMMENTS ON THE GAO DRAFT REPORT:
Opportunities for Consolidation of Services and Other Improvement in Federally Assisted Manpower Programs in the Atlanta, Georgia Area

Background

GAO reported, except for two programs, the activities generally referred to as screening were carried out satisfactorily. However, GAO believes that opportunities exist to enhance the effectiveness of the several programs in the Atlanta area by consolidating responsibilities for screening activities. We are attaching comments from the Georgia State Department of Education as requested.

GAO Recommendation

To provide disadvantaged persons with the maximum benefits from Federally assisted manpower programs, we recommend that the Secretaries of Labor; Health, Education and Welfare; and Housing and Urban Development in cooperation with State and local agencies consolidate, to the extent feasible, screening under all Federally assisted manpower programs in metropolitan areas such as Atlanta, so that the entire range of vocational assessment services can be made available to meet the individual needs and desires of program participants.

Department Comment

We and the Georgia Department of Education concur in this recommendation. However, we feel the location of the centralized screening activities for all manpower programs in the Atlanta area should be with the Atlanta Employment Evaluation and Service Center in lieu of the Georgia Training and Employment Service because (1) rehabilitation has the historical lead in vocational evaluation programs, (2) the rehabilitation agency in Atlanta already does evaluations for manpower agency clients, (3) the rehabilitation program in Atlanta and elsewhere has the most in-depth and comprehensive procedures along with flexibility to vary the assessments according to individual need, (4) rehabilitation agency clients have the most complicated needs (medical aspects, for example) and thus the system does not need to increase skills to handle other agency clients (rehabilitation could not utilize other agencies to evaluate handicapped clients unless such other agencies increased their staff resources to include the necessary professional skills and knowledges) and (5) there is Congressional intent in Section 15 of the Vocational Rehabilitation Act that rehabilitation can and should provide vocational evaluation and work adjustment services to disadvantaged individuals who may be referred by manpower and other agencies.

APPENDIX II

General Comments

[See GAO note.]

GAO note: Material deleted from this letter concerns matters included in the report draft which have been revised in the final report.

CDA should continue to be free to purchase training services while maintaining coordination and avoiding unnecessary duplication of other local manpower efforts.

Basic to this study is the fact that the Georgia State Employment Service is largely responsible for the operation and coordination of most aspects of the manpower programs cited. My office has met with the Department of Labor to urge that they work more closely with the Georgia State Employment Service to achieve coordination between the CEP and the Model Cities Employment Program, especially since the GSES is primarily responsible for operational roles in both. I am directing the regional office of HUD to renew those discussions with the regional office of the Department of Labor and the Georgia State Employment Service to review the implications of the GAO report and to recommend specific actions.

[See GAO note.]

We heartily concur in the GAO recommendation to improve coordination and consolidation of "screening" and vocational assessment services under all federally assisted manpower programs in metropolitan areas. This has been a basic concern of manpower projects under the Model Cities demonstration concept for the cities in our programs. We are not fully satisfied with results in all Model Cities where manpower programs have been emphasized, but we feel some examples of effective coordination are beginning to emerge that can provide a basis for more effective federal manpower program coordination. HEW has been very active in working within the Model City framework to develop improved procedures for interagency coordination.

[See GAO note.]

Sincerely yours,

Floyd H. Hyde
Assistant Secretary

cc: M. Patterson

GAO note: Material deleted from this letter concerns matters included in the report draft which are not included in the final report.

APPENDIX III

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY DEVELOPMENT

AUG 19 1971 IN REPLY REFER TO:

Mr. B. E. Birkle
Assistant Director
Civil Division
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Birkle:

We have studied the draft report on consolidation of services for federally assisted manpower programs in Atlanta. We are in general agreement with a number of the recommendations of that report including:

1. Coordinated outreach to serve all programs.

2. Coordinated screening and assessment procedures.

3. Coordinated orientation and counseling services.

4. A uniform stipend policy.

5. Coordinated training and support services.

We note that the study was performed during the period of July 1, 1969 through June 30, 1970. A number of contracts between the Atlanta Model Cities Agency and delegate agencies performing roles within the CDA manpower program had not been signed during that period. Therefore, some of the operational aspects and performance statistics have been greatly altered since the study was made.

We do have substantial disagreement with one major recommendation of the report--that the training component of the Model Cities manpower program be consolidated with the Concentrated Employment Program serving the same area. In fact, the CEP does not serve the model neighborhood exclusively and extends its operational jurisdiction far beyond the Model Cities area. If the training services of the Model Cities manpower program were consolidated with that of the CEP, we believe it would be probable that concentrated services to Model Neighborhood residents could be diluted.

In addition, it is the position of HUD that cities utilizing supplemental HUD funds be free to select the most appropriate delegate agency through which to provide the needed service. In many cases, we have found this freedom to act has been well utilized by city governments to create systems superior to those existing in the city. It is our position that the Atlanta

# APPENDIX IV

FEDERALLY ASSISTED MANPOWER PROGRAMS

IN THE ATLANTA, GEORGIA, AREA

| Program | Legislative authorization | Sponsoring agencies | | Federal expenditures (fiscal year 1970) | Services provided and groups served |
|---|---|---|---|---|---|
| | | Federal | Local | | |
| CONCENTRATED EMPLOYMENT | Economic Opportunity Act of 1964 (42 U.S.C. 2740) and Manpower Development and Training Act of 1962 (42 U.S.C. 2581) | Department of Labor | Economic Opportunity Atlanta, Inc. | $1,672,000 | Provides a coordinated program of manpower training and supportive services for hard-core unemployed youth and adults in selected areas where they are concentrated. |
| JOB CORPS RESIDENTIAL CENTER | Economic Opportunity Act of 1964 (42 U.S.C. 2712) | Department of Labor | Thiokol Chemical Corporation | 2,046,000 | Assists low-income disadvantaged girls 16 to 21 years of age who require a change of environment to profit from training through a residential program of education, skill training, and related services. |
| JOB OPPORTUNITIES IN THE BUSINESS SECTOR (CONTRACT ONLY) | Manpower Development and Training Act of 1962 and Economic Opportunity Act of 1964 (42 U.S.C. 2740) | Department of Labor | National Alliance of Businessmen | 1,571,000 | Encourages private industry to hire, train, retain, and upgrade the hard-core unemployed and underemployed, 18 years of age and over. |
| MANPOWER DEVELOPMENT AND TRAINING ACT: | | | | | |
| Institutional training | Manpower Development and Training Act of 1962 | Department of Labor; Department of Health, Education, and Welfare | Georgia State Department of Education | 915,000 | Provides vocational training or retraining in a classroom setting for unemployed and underemployed persons 16 years old and over, at least two thirds of them disadvantaged. |
| On-the-job training | Manpower Development and Training Act of 1962 | Department of Labor | Georgia Training and Employment Service; Atlanta Urban League, Inc. | 311,000 | Provides supervised work at the jobsite under contracts with public and private employers for unemployed and underemployed persons 16 years of age and over, at least two thirds of them disadvantaged. Preference is given to persons at least 18 years old. |
| MODEL CITIES (EMPLOYMENT COMPONENT) | Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3302) | Department of Housing and Urban Development | City Demonstration Agency | 334,000 | Provides job development and referral placement, vocational training, and supportive services to any resident of the Model Cities area 16 years old or older who has a problem of job choice, job preparation, job adjustment, unemployment, or underemployment. |
| NEIGHBORHOOD YOUTH CORPS (OUT OF SCHOOL) | Economic Opportunity Act of 1964 | Department of Labor | Economic Opportunity Atlanta, Inc. | 558,000 | Provides work experience and vocational training for 16- and 17-year-old youths who are disadvantaged and who are high school dropouts. |
| VOCATIONAL REHABILITATION (TRAINING SERVICES GRANT) | Vocational Rehabilitation Act of 1920 (29 U.S.C. 41b) | Department of Health, Education, and Welfare | Georgia State Department of Education | 250,000[a] | Provides employment evaluation services and vocational rehabilitation services to help individuals 16 to 65 who are indigent, underemployed, unemployed, or physically or mentally disabled to become suitably employed. |
| WORK INCENTIVE | Social Security Act of 1935 (42 U.S.C. 632) | Department of Labor; Department of Health, Education, and Welfare | Georgia Training and Employment Service | 130,000 | Provides work, training, child care, and related services designed to move into employment employable persons on rolls of the aid to families with dependent children program. |

[a] A total of about $900,000 both State and Federal funds was obligated during fiscal year 1970 by the Atlanta Employment Evaluation and Service Center for all vocational rehabilitation activities.

# APPENDIX V

ENROLLMENT ACTIVITY OF SELECTED ATLANTA

MANPOWER PROGRAMS

DURING 12 MONTHS ENDED JUNE 30, 1970

| Program | Enrollment 7-1-69 | New enrollment during period | Persons served (cols. 1 and 2) | Terminations during period | | | Enrollment 6-30-70 |
|---|---|---|---|---|---|---|---|
| | | | | Completed | Dropped out | Total | |
| CONCENTRATED EMPLOYMENT | 424 | 482 | 906 | 296 | 336 | 632 | 274 |
| JOB CORPS RESIDENTIAL CENTER | (a) | 321 | 321 | - | 68 | 68 | 253 |
| JOB OPPORTUNITIES IN THE BUSINESS SECTOR (CONTRACT ONLY) | 320 | 2,604 | 2,924 | 35 | 1,935 | 1,970 | 954 |
| MANPOWER DEVELOPMENT AND TRAINING ACT: | | | | | | | |
| Institutional training | 82 | 213 | 295 | 55 | 117 | 172 | 123 |
| On-the-job training | 135 | 367 | 502 | 269 | 125 | 394 | 108 |
| NEIGHBORHOOD YOUTH CORPS (OUT-OF-SCHOOL) | 250 | 556 | 806 | 164 | 488 | 652 | 154 |
| MODEL CITIES (EMPLOYMENT COMPONENT) | (a) | 80 | 80 | - | 29 | 29 | 51 |
| VOCATIONAL REHABILITATION (TRAINING COMPONENT ONLY) | 216[b] | 236 | 452 | 165 | 123 | 288 | 164 |
| WORK INCENTIVE | (a) | 441 | 441 | - | 40 | 40 | 401 |
| Total | 1,427 | 5,300 | 6,727 | 984 | 3,261 | 4,245 | 2,482 |

[a]Not in operation at date shown.

[b]Refers to training services project only and not to other training conducted at the Atlanta Employment Evaluation and Service Center and at other locations in Atlanta.

APPENDIX VI

# PRINCIPAL OFFICIALS OF THE DEPARTMENT OF LABOR; THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; AND THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HAVING RESPONSIBILITY FOR ADMINISTRATION OF ACTIVITIES DISCUSSED IN THIS REPORT

| | Tenure of office | |
|---|---|---|
| | From | To |
| **DEPARTMENT OF LABOR** | | |
| SECRETARY OF LABOR: | | |
| James D. Hodgson | July 1970 | Present |
| George P. Shultz | Jan. 1969 | June 1970 |
| ASSISTANT SECRETARY FOR MANPOWER: | | |
| Malcolm R. Lovell | July 1970 | Present |
| Arnold R. Weber | Feb. 1969 | June 1970 |
| MANPOWER ADMINISTRATOR: | | |
| Paul J. Fasser, Jr. | Oct. 1970 | Present |
| Malcolm R. Lovell | June 1969 | Oct. 1970 |
| **DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE** | | |
| SECRETARY OF HEALTH, EDUCATION, AND WELFARE: | | |
| Elliot L. Richardson | June 1970 | Present |
| Robert H. Finch | Jan. 1969 | June 1970 |
| ADMINISTRATOR, SOCIAL AND REHABILITATION SERVICE: | | |
| John D. Twiname | Mar. 1970 | Present |
| Mary E. Switzer | Aug. 1967 | Mar. 1970 |
| COMMISSIONER, REHABILITATION SERVICES ADMINISTRATION: | | |
| Edward Newman | Oct. 1969 | Present |
| Joseph V. Hunt | Apr. 1968 | Sept. 1969 |

APPENDIX VI

| | Tenure of office | |
|---|---|---|
| | From | To |
| **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | |
| SECRETARY OF HOUSING AND URBAN DEVELOPMENT (formerly Administrator, Housing and Home Finance Agency): | | |
| George W. Romney | Jan. 1969 | Present |
| ASSISTANT SECRETARY FOR MODEL CITIES (formerly Assistant Secretary for Model Cities and Governmental Relations; formerly Assistant Secretary for Demonstration and Intergovernmental Relations): | | |
| Floyd H. Hyde | Feb. 1969 | Feb. 1971 |
| ASSISTANT SECRETARY FOR COMMUNITY DEVELOPMENT (note a): | | |
| Floyd H. Hyde | Mar. 1971 | Present |

[a]Effective March 1, 1971, responsibility for the administration of the Model Cities Program was transferred to the newly established Office of Community Development.



U.S. GAO, Wash., D.C.

Copies of this report are available from the U. S. General Accounting Office, Room 6417, 441 G Street, N W., Washington, D.C., 20548.

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